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63RD annual ratio study compiled from the operating statements and balance sheets submitted by representative members of the printing industry, and computed by RGS Enterprises, Inc., 1 Carlisle Drive, Arnold, Maryland 21012.

1986 FINANCIAL RATIOS

PREPARATORY SPECIALISTS

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PRINTING INDUSTRIES OF AMERICA, INC.

Member Programs Group
1730 North Lynn Street
Arlington, Virginia 22209

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H. R. MARGOLIS COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

OFFICES
PHILADELPHIA
NEW YORK

Dear Member of the Graphic Arts Community:

H R. Margolis Company is pleased to have once again participated with PIA and the graphic arts community in compiling these financial ratios. In all. 979 graphic arts firms of various types took part in the 1986 study. This particular volume is the result of financial information contributed by 43 Preparatory Specialists across the United States and Canada.

To help readers compare their own financial statements to those of other firms, the data is presented here by sales volume - for example, sales to $500,000, sales from $500,000 to $1,500,000, etc.; by market - for example, Printers and Lithographers, Advertising Agencies, etc.; and by type of work - for example, Black and White or Color Work. Readers can compare their firm's operations with other firms having the same sales volume, market, or type of work in four areas: Operations based on Sales and its Supporting Schedules, Balance Sheet Ratios, Significant Facts and Return on Investment.

The importance of sharing this type of information among the members of the graphic arts community cannot be overemphasized. Such a comparative analysis enhances the health of both individual firms and the graphic arts industry as a whole. Consequently, we urge that all firms put these ratios to use in making effective and profitable financial decisions.

H. R. MARGOLIS COMPANY

PRINTING INDUSTRIES OF AMERICA, INC.

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1986 is the 63rd year in which Printing Industries of America, Inc. has collected and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries in the U.S. and Canada. It allows individual firms to compare their annual performance with that of many other similar firms, including those which earn well above-average profits. Ratio results are published annually. They are summarized as follows:

- Management Guide to the PIA Ratios
- All Printers by Sales Volume
- All Printers by Product Specialty
- All Printers by Geographic Area
- Sheetfed Printers by Size and Geographic Area
- Web Offset Printers — Heatset
- Web Offset Printers — Non-Heatset
- Combination Offset — Sheetfed/Web
- Book Manufacturers' Ratios
- Large Printers' Ratios
- Typographers' Ratios
- Preparatory Specialists' Ratios
- Binders' Ratios
- Quick Printers

For a more complete composite picture of your company's performance relative to the industry as a whole, several books could be used in your analysis, such as one of the overview volumes, e.g., *All Printers by Sales Volume*, and one that addresses your particular business segment or production process, e.g., *Book Manufacturers or Web Offset — Heatset*, respectively. Alternatively, such analysis is facilitated by participating in the Ratio Study each year and ordering an individual company computer printout which compares a participant's ratios to those of companies which are similar in size and sales volume, produce the same products, and use the same manufacturing process.

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The Graphic Preparatory Association is a special industry unit of PIA which represents and supports the common interests of preparatory trade plants in serving the Graphic Arts Industry. This study of the financial ratios of preparatory specialists is but one of the services GPA offers to its members.

Each year GPA holds two major meetings. In the spring, there is a Technical Awareness Seminar for Management. The two-day session is designed to update members of technological changes in the industry. In the winter, GPA holds its Annual Meeting in a resort location. This three-day session allows a maximum flow of information among the membership through its half-day sessions, social events and the relaxing atmosphere of the resort.

In addition to the meetings and the ratio study, the Association's monthly newsletter *UP FRONT* has become a technical and management resource to over 800 Preparatory Industry leaders. Allowing them to quickly update themselves is the technical and industry news which is of interest to the Preparatory Specialist.

GPA prepares compensation surveys, a quarterly industry activity survey, and publishes an annual buyers' guide. Active membership is open to any PIA member engaged in the operation of a preparatory trade plant serving the GPA Industry. Associate membership is open to any PIA member engaged in the manufacture or distribution of supplies or equipment for use in the preparatory industry.

Ronald S. Ballard
Executive Director
Graphic Preparatory Association
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CHAPTER 1 - BY SIZE OF FIRM

REPORT ON OPERATIONS - SALES = 100%

	ALL FIRMS REPORTING		SALES TO $500,000**
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT			
MATERIALS			
Paper	2.29	1.13	0.00
Other chargeable materials	13.12	12.26	13.01
Outside services	4.09	5.04	3.34
TOTAL MATERIALS	19.50	18.43	16.35
FACTORY PAYROLL	35.77	34.70	40.46
FACTORY EXPENSES	14.79	11.81	26.74
TOTAL FACTORY COST OF PRODUCT	70.06	64.94	83.55
GROSS PROFIT	29.94	35.06	16.45
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	12.77	11.32	16.39
Selling expenses	11.48	10.29	0.00
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	24.25	21.61	16.39
INCOME BEFORE INTEREST EXPENSE	5.69	13.45	0.06
Interest expense	2.22	1.63	4.76
OPERATING INCOME (LOSS)	3.47	11.82	(4.70)
Other income (expense)	0.75	0.67	0.13
INCOME (LOSS) BEFORE INCOME TAXES	4.22	12.49	(4.57)

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS			
Ink	0.41%	0.17%	0.00%
Film	8.59	6.78	11.05
Plates	0.80	0.51	0.27
Other chargeable materials	3.32	4.80	1.69
TOTAL OTHER CHARGEABLE MATERIALS	13.12	12.26	13.01
OUTSIDE SERVICES			
Composition	0.06	0.05	0.00
Offset preparation	1.59	2.34	0.74
Printing	0.93	2.26	0.93
Binding	0.08	0.09	0.00
Other outside services	1.43	0.30	1.67
TOTAL OUTSIDE SERVICES	4.09	5.04	3.34

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000**	SALES FROM $1,500,000-$3,000,000**	SALES OVER $3,000,000	
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
100.00%	100.00%	100.00%	100.00%
2.14	2.97	2.27	1.26
15.34	13.13	12.39	12.63
5.97	3.80	3.64	4.84
23.45	19.90	18.30	18.73
34.60	34.74	36.16	34.44
14.20	14.22	14.20	11.69
72.25	68.86	68.66	64.86
27.75	31.14	31.34	35.14
14.46	13.64	11.57	11.44
11.87	11.16	12.43	10.11
26.33	24.80	24.00	21.55
1.42	6.34	7.34	13.59
1.06	3.28	2.00	1.61
0.36	3.06	5.34	11.98
0.81	(0.01)	1.07	0.76
1.17	3.05	6.41	12.74
1.09%	0.09%	0.28%	0.17%
9.40	7.54	8.40	6.98
2.55	0.34	0.34	0.53
2.30	5.16	3.37	4.95
15.34	13.13	12.39	12.63
0.21	0.01	0.04	0.06
3.46	0.82	1.40	1.66
0.00	1.58	0.91	2.66
0.00	0.01	0.15	0.11
2.30	1.38	1.14	0.35
5.97	3.80	3.64	4.84

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS REPORTING		SALES TO $500,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	3.08%	1.93%	9.59%
Direct wages	24.77	25.28	26.35
General factory salaries and wages	1.80	1.64	0.00
Packing, shipping and delivery wages	0.63	0.37	0.00
Payroll taxes	2.43	2.21	2.26
Employee benefits	3.06	3.27	2.26
TOTAL FACTORY PAYROLL	35.77	34.70	40.46
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.61	0.24	0.00
Depreciation - other	4.82	3.61	8.01
Taxes - real estate	0.19	0.26	0.00
Taxes - other	0.16	0.15	0.71
Insurance	0.57	0.26	0.30
Building rent	1.66	0.92	4.49
Utilities - heat, light, etc.	1.16	0.86	1.16
Equipment rental	1.04	0.57	8.31
Total Fixed Expenses	10.21	6.87	22.98
Other Expenses			
Factory supplies and expense	1.34	1.83	0.10
Packing, shipping and delivery expense	0.99	0.99	0.25
Repairs and maintenance	1.37	1.27	1.76
Other factory expenses	0.88	0.85	1.65
Total Other Expenses	4.58	4.94	3.76
TOTAL FACTORY EXPENSES	14.79	11.81	26.74
ADMINISTRATIVE EXPENSES			
Salaries - executive	3.63	2.76	6.77
Salaries - office	2.53	2.54	2.81
Payroll taxes	0.67	0.35	0.39
Employee benefits	0.84	1.25	0.27
Bad debts	0.57	0.28	0.88
Office supplies and expenses	0.62	0.42	1.20
Professional fees	0.80	0.45	1.02
Taxes - business	0.22	0.26	0.19
Telephone	0.74	0.59	0.89
Other administrative expenses	2.15	2.42	1.97
TOTAL ADMINISTRATIVE EXPENSES	12.77	11.32	16.39
SELLING EXPENSES			
Salaries - executive	1.23	1.05	0.00
Salaries and commissions - salesmen	5.69	5.57	0.00
Salaries - sales office clerical	0.35	0.25	0.00
Payroll taxes	0.45	0.33	0.00
Employee benefits	0.44	0.48	0.00
Advertising	0.74	0.51	0.00
Travel and entertainment	1.44	1.64	0.00
Other selling expenses	1.14	0.46	0.00
TOTAL SELLING EXPENSES	11.48	10.29	0.00

** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000**	SALES FROM $1,500,000-$3,000,000**	SALES OVER $3,000,000	
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
3.31%	2.15%	2.81%	1.81%
23.81	25.70	24.59	24.99
0.91	0.99	2.56	1.82
0.53	0.53	0.76	0.36
2.51	3.02	2.20	2.15
3.53	2.35	3.24	3.31
34.60	34.74	36.16	34.44
0.03	0.80	0.78	0.27
3.67	5.12	4.81	3.46
0.30	0.09	0.21	0.27
0.03	0.23	0.12	0.09
1.02	0.80	0.36	0.26
1.81	1.51	1.44	0.91
1.63	1.18	1.00	0.88
1.99	0.48	0.34	0.63
10.48	10.21	9.06	6.77
1.55	0.92	1.53	1.87
0.93	0.72	1.17	0.92
0.98	0.83	1.67	1.30
0.26	1.54	0.77	0.83
3.72	4.01	5.14	4.92
14.20	14.22	14.20	11.69
4.81	4.23	2.77	2.74
2.71	2.46	2.46	2.68
0.97	0.99	0.48	0.37
1.06	0.42	0.97	1.26
0.51	0.77	0.49	0.30
0.82	0.73	0.46	0.42
0.69	0.63	0.88	0.37
0.13	0.25	0.24	0.27
0.97	0.76	0.64	0.56
1.79	2.40	2.18	2.47
14.46	13.64	11.57	11.44
2.90	0.68	0.98	1.16
4.71	6.12	6.34	5.29
0.00	0.15	0.57	0.28
0.41	0.55	0.46	0.31
0.33	0.35	0.54	0.46
1.00	0.52	0.80	0.51
1.07	1.66	1.60	1.60
1.45	1.13	1.14	0.50
11.87	11.16	12.43	10.11

CHAPTER 1 - BY SIZE OF FIRM

BALANCE SHEET

	ALL FIRMS REPORTING		SALES TO $500,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
ASSETS			
CURRENT ASSETS			
Cash	8.23%	8.77%	9.40%
Receivables	32.60	30.18	30.98
Inventories	4.68	5.24	1.50
Other current assets	6.66	10.24	0.60
TOTAL CURRENT ASSETS	52.17	54.43	42.48
FIXED ASSETS			
Real estate	6.33	10.82	0.00
Less: Accumulated depreciation	2.30	2.93	0.00
	4.03	7.89	0.00
Machinery and equipment	67.27	46.30	64.69
Less: Accumulated depreciation	34.27	20.10	33.55
	33.00	26.20	31.14
Other fixed assets	12.22	6.27	12.99
Less: Accumulated depreciation	6.61	3.29	0.68
	5.61	2.98	12.31
NET FIXED ASSETS	42.64	37.07	43.45
OTHER ASSETS	5.19	8.50	14.07
TOTAL ASSETS	100.00	100.00	100.00
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Notes payable	10.35	6.55	11.46
Accounts payable	7.91	4.39	6.84
Other current liabilities	7.39	9.77	6.92
TOTAL CURRENT LIABILITIES	25.65	20.71	25.22
LONG-TERM LIABILITIES	33.25	29.90	30.55
TOTAL LIABILITIES	58.90	50.61	55.77
SHAREHOLDERS' AND PROPRIETORS' EQUITY	41.10	49.39	44.23
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	2.03	2.63	1.68
QUICK RATIO	1.85	2.38	1.62
TOTAL LIABILITIES TO EQUITY	1.43	1.02	1.26
LONG-TERM LIABILITIES TO EQUITY	0.81	0.61	0.69
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.51	0.43	0.52

** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000**	SALES FROM $1,500,000-$3,000,000**	SALES OVER $3,000,000	
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
10.47%	4.53%	8.76%	8.38%
37.78	30.68	31.74	29.02
4.99	3.16	5.41	5.27
3.60	8.97	7.33	11.29
56.84	47.34	53.24	53.96
2.79	10.78	6.37	12.02
2.37	3.80	1.90	3.26
0.42	6.98	4.47	8.76
68.79	70.04	65.93	45.25
35.23	31.27	35.13	19.37
33.56	38.77	30.80	25.88
15.24	12.73	10.96	4.50
10.14	7.16	5.73	2.38
5.10	5.57	5.23	2.12
39.08	51.32	40.50	36.76
4.08	1.34	6.26	9.28
100.00	100.00	100.00	100.00
5.36	20.47	8.13	6.38
12.60	4.54	7.70	4.20
5.23	4.06	9.39	9.55
23.19	29.07	25.22	20.13
32.82	44.48	29.41	30.94
56.01	73.55	54.63	51.07
43.99	26.45	45.37	48.93
100.00	100.00	100.00	100.00
2.45	1.63	2.11	2.68
2.24	1.52	1.90	2.42
1.27	2.78	1.20	1.04
0.75	1.69	0.65	0.63
0.51	0.45	0.53	0.43

CHAPTER 1 - BY SIZE OF FIRM

SIGNIFICANT FACTS

	ALL FIRMS REPORTING		SALES TO $500,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Average assets per employee - All employees	$ 43,191	$ 54,490	$ 31,696
Average assets per factory employee (Excluding Executives)	63,464	76,883	48,415
Average net worth per employee - All employees	17,386	28,566	14,025
Average gross plant investment per factory employee (Excluding Executives)	51,705	49,384	37,536
Net worth percentage of fixed assets	146.37%	237.95%	102.56%
EMPLOYEES			
Percent factory - All employees	74.04%	75.86%	81.25%
Percent administrative - All employees	13.60	12.57	18.75
Percent sales - All employees	12.36	11.57	0.00
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES			
Sales per employee - All employees	$ 71,664	$ 85,869	$ 53,420
Sales per factory employee	97,866	114,639	66,509
Sales less material per factory employee	78,737	93,156	55,942
Sales per administrative employee	628,226	796,920	312,759
EXCLUDING EXECUTIVES			
Sales per employee - All employees	79,411	91,795	65,770
Sales per factory employee	104,512	120,688	77,832
Sales less material per factory employee	84,113	98,114	65,067
SALES PER SALESMAN	625,759	941,150	0
SALES TO CURRENT ASSETS	385%	325%	493%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES			
Total payroll percentage of sales	51.60%	49.29%	50.70%
Factory payroll percentage of gross plant investment	88.76	112.96	110.37
Payroll per employee - All employees	$ 36,897	$ 42,217	$ 27,263
Payroll per factory employee	34,571	39,260	26,640
Payroll per administrative employee	41,587	47,849	25,890
Payroll per sales employee	47,057	60,515	0
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES			
Payroll per employee - All employees	$ 28,436	$ 32,781	$ 19,170
Payroll per factory employee	28,028	32,571	20,431
Payroll per administrative employee	18,473	19,817	11,990
Payroll per sales employee	39,768	51,859	0
EXECUTIVE PAYROLL			
Payroll per executive - All executives	59,102	73,990	49,995
Payroll per factory executive	39,387	38,957	18,994
Payroll per administrative executive	86,222	138,155	31,001
Payroll per sales executive	33,122	49,195	0
RECEIVABLES			
Collection period	65.5	67.4	56.7
PROFIT			
Gross profit percentage of sales	29.94%	35.06%	16.45%
Average gross profit per factory employee	$ 32,083	$ 42,692	$ 12,609
Income (loss) before taxes percentage of sales	4.22%	12.49%	(4.57)%
Average income (loss) before taxes per employee	$ 3,536	$ 10,971	$ (2,127)

** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000**	SALES FROM $1,500,000-$3,000,000**	SALES OVER $3,000,000	
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
$ 32,735	$ 38,709	$ 49,316	$ 56,036
53,139	58,577	69,992	78,764
12,061	8,637	22,722	29,324
43,009	51,682	55,792	49,676
185.68%	65.57%	167.21%	249.45%
69.03%	72.66%	75.63%	76.08%
17.13	14.74	11.56	12.95
13.84	12.60	12.81	10.97
$ 58,971	$ 65,819	$ 79,607	$ 85,494
86,063	92,968	106,251	113,949
65,619	74,457	86,615	92,190
363,902	454,735	807,681	778,043
69,502	72,904	86,292	91,252
91,588	98,141	113,432	119,449
69,843	78,582	92,531	96,671
266,172	408,025	770,315	987,127
432%	416%	349%	320%
52.50%	50.68%	51.72%	48.98%
93.26	71.26	92.01	113.92
$ 30,739	$ 33,283	$ 41,107	$ 41,747
29,665	31,118	38,161	38,656
33,160	31,954	49,317	46,962
36,829	38,485	57,602	61,807
$ 22,534	$ 26,006	$ 32,087	$ 32,345
22,747	25,441	31,391	32,045
14,991	15,630	21,240	20,112
27,622	34,201	49,218	52,830
43,069	48,118	69,325	74,448
33,085	31,525	46,136	38,397
57,268	53,940	112,580	134,249
23,922	15,524	45,549	54,661
65.6	62.7	67.3	67.4
27.75%	31.14%	31.34%	35.14%
$ 25,588	$ 31,749	$ 35,996	$ 42,408
1.17%	3.05%	6.41%	12.74%
$ 773	$ 2,112	$ 5,463	$ 11,181

CHAPTER 1 - BY SIZE OF FIRM

RETURN ON INVESTMENT - PER $100 OF SALES

	ALL FIRMS REPORTING		SALES TO $500,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Current Assets:			
Cash	$ 5.34	$ 5.09	$ 3.60
Receivables	17.55	18.20	15.39
Inventories	2.64	3.46	1.39
Marketable securities	1.09	0.00	0.00
Other current assets	3.29	6.70	0.18
	29.91	33.45	20.56
Plant Investment:			
Land and building	3.92	7.71	0.00
Machinery and equipment	38.93	29.58	40.68
Other fixed assets	6.47	3.64	7.10
	49.32	40.93	47.78
Non-Current Assets	3.39	6.02	13.10
TOTAL INVESTMENT	82.62	80.40	81.44
INVESTMENT TURNOVER PER $100 OF SALES	121.04%	124.38%	122.79%
EARNINGS			
Cost of Product	$70.06	$64.94	$83.55
Selling Expenses	11.48	10.29	0.00
Administrative Expenses	12.77	11.32	16.39
	94.31	86.55	99.94
Income Before Interest, Other Income (Expense), and Taxes	5.69	13.45	0.06
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	6.89%	16.73%	0.07%

** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000**	SALES FROM $1,500,000-$3,000,000**	SALES OVER $3,000,000	
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
$ 6.69	$ 2.50	$ 6.09	$ 5.04
17.74	16.66	18.02	18.15
2.54	1.76	3.10	3.60
0.95	0.00	1.63	0.00
0.97	5.42	3.53	7.41
28.89	26.34	32.37	34.20
1.41	5.93	4.32	8.56
36.52	39.86	39.23	30.06
6.20	6.66	6.44	2.92
44.13	52.45	49.99	41.54
2.05	0.68	4.05	6.61
75.07	79.47	86.41	82.35
133.21%	125.83%	115.73%	121.43%
$72.25	$68.86	$68.66	$64.86
11.87	11.16	12.43	10.11
14.46	13.64	11.57	11.44
98.58	93.66	92.66	86.41
1.42	6.34	7.34	13.59
1.89%	7.98%	8.49%	16.50%

REPORT ON OPERATIONS - SALES = 100%

	PRINTERS AND LITHOGRAPHERS		ADVERTISING AGENCIES	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT				
MATERIALS				
Paper	1.11	1.96	3.33	1.52
Other chargeable materials	14.50	9.95	11.83	14.11
Outside services	6.89	9.38	2.55	1.82
TOTAL MATERIALS	22.50	21.29	17.71	17.45
FACTORY PAYROLL	31.69	34.55	35.55	30.96
FACTORY EXPENSES	14.22	10.42	16.13	12.95
TOTAL FACTORY COST OF PRODUCT	68.41	66.26	69.39	61.36
GROSS PROFIT	31.59	33.74	30.61	38.64
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	14.30	8.47	13.19	13.07
Selling expenses	9.51	12.04	13.02	12.36
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	23.81	20.51	26.21	25.43
INCOME BEFORE INTEREST EXPENSE	7.78	13.23	4.40	13.21
Interest expense	1.99	1.82	2.17	1.52
OPERATING INCOME	5.79	11.41	2.23	11.69
Other income (expense)	(0.09)	(0.09)	0.86	0.87
INCOME BEFORE INCOME TAXES	5.70	11.32	3.09	12.56

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS				
Ink	1.35%	0.34%	0.22%	0.19%
Film	9.14	3.86	8.26	8.25
Plates	0.56	0.35	0.52	0.44
Other chargeable materials	3.45	5.40	2.83	5.23
TOTAL OTHER CHARGEABLE MATERIALS	14.50	9.95	11.83	14.11
OUTSIDE SERVICES				
Composition	0.03	0.09	0.11	0.05
Offset preparation	3.00	3.20	0.63	1.63
Printing	2.32	5.37	0.53	0.00
Binding	0.03	0.10	0.16	0.14
Other outside services	1.51	0.62	1.12	0.00
TOTAL OUTSIDE SERVICES	6.89	9.38	2.55	1.82

** Sample insufficient for Profit Leaders.

PUBLISHERS		CARTON MANUFACTURERS**	OTHER**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
100.00%	100.00%	100.00%	100.00%
2.38	0.23	0.00	0.00
13.05	12.60	17.25	14.93
3.49	4.19	6.77	5.06
18.92	17.02	24.02	19.99
39.54	37.61	37.71	37.46
13.18	12.00	13.28	14.47
71.64	66.63	75.01	71.92
28.36	33.37	24.99	28.08
10.98	12.16	13.11	9.58
10.28	7.41	9.47	14.80
21.26	19.57	22.58	24.38
7.10	13.80	2.41	3.70
2.50	1.57	1.51	3.20
4.60	12.23	0.90	0.50
0.86	1.08	0.59	3.58
5.46	13.31	1.49	4.08
0.21%	0.07%	0.00%	0.00%
8.34	7.58	7.23	11.87
0.30	0.64	7.32	0.00
4.20	4.31	2.70	3.06
13.05	12.60	17.25	14.93
0.00	0.01	0.00	0.00
2.81	3.37	0.00	0.00
0.37	0.43	0.00	0.00
0.01	0.08	0.00	0.00
0.30	0.30	6.77	5.06
3.49	4.19	6.77	5.06

SUPPORTING SCHEDULES - SALES = 100%

	PRINTERS AND LITHOGRAPHERS		ADVERTISING AGENCIES	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	2.06%	1.89%	3.62%	1.31%
Direct wages	22.79	25.21	23.70	22.54
General factory salaries and wages	1.34	1.52	1.97	2.05
Packing, shipping and delivery wages	0.11	0.35	0.94	0.31
Payroll taxes	2.91	2.19	2.27	2.01
Employee benefits	2.48	3.39	3.05	2.74
TOTAL FACTORY PAYROLL	31.69	34.55	35.55	30.96
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.27	0.09	0.89	0.34
Depreciation - other	4.78	3.37	5.21	4.10
Taxes - real estate	0.26	0.28	0.20	0.35
Taxes - other	0.11	0.22	0.19	0.02
Insurance	0.77	0.17	0.48	0.24
Building rent	1.42	1.44	1.95	0.70
Utilities - heat, light, etc.	1.29	0.83	1.08	0.79
Equipment rental	0.93	0.27	1.53	0.98
Total Fixed Expenses	9.83	6.67	11.53	7.52
Other Expenses				
Factory supplies and expense	1.44	1.20	0.98	1.21
Packing, shipping and delivery expense	0.91	0.65	1.12	1.03
Repairs and maintenance	1.16	1.18	1.58	1.95
Other factory expenses	0.88	0.72	0.92	1.24
Total Other Expenses	4.39	3.75	4.60	5.43
TOTAL FACTORY EXPENSES	14.22	10.42	16.13	12.95
ADMINISTRATIVE EXPENSES				
Salaries - executive	5.59	2.31	3.37	3.89
Salaries - office	2.16	1.63	2.98	3.49
Payroll taxes	0.85	0.19	0.62	0.42
Employee benefits	0.71	0.85	1.04	2.08
Bad debts	0.20	0.18	0.73	0.25
Office supplies and expenses	0.67	0.50	0.74	0.38
Professional fees	0.58	0.68	1.09	0.60
Taxes - business	0.14	0.07	0.28	0.66
Telephone	0.79	0.66	0.75	0.53
Other administrative expenses	2.61	1.40	1.59	0.77
TOTAL ADMINISTRATIVE EXPENSES	14.30	8.47	13.19	13.07
SELLING EXPENSES				
Salaries - executive	0.55	0.67	1.63	1.21
Salaries and commissions - salesmen	5.61	6.98	5.97	6.40
Salaries - sales office clerical	0.19	0.65	0.56	0.18
Payroll taxes	0.43	0.41	0.54	0.43
Employee benefits	0.38	0.72	0.51	0.58
Advertising	0.55	0.26	0.78	1.02
Travel and entertainment	1.36	2.19	1.65	1.82
Other selling expenses	0.44	0.16	1.38	0.72
TOTAL SELLING EXPENSES	9.51	12.04	13.02	12.36

** Sample insufficient for Profit Leaders.

PUBLISHERS		CARTON MANUFACTURERS**	OTHER**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
2.99%	2.42%	2.86%	3.76%
27.95	27.39	27.12	26.36
2.37	1.42	0.00	1.47
0.68	0.43	0.45	0.27
2.26	2.38	2.77	2.12
3.29	3.57	4.51	3.48
39.54	37.61	37.71	37.46
0.66	0.28	0.00	0.00
3.88	3.44	3.45	7.14
0.13	0.18	0.14	0.10
0.19	0.18	0.00	0.08
0.39	0.34	1.66	0.32
1.59	0.70	0.80	1.39
0.98	0.93	2.48	0.86
0.66	0.49	0.00	0.00
8.48	6.54	8.53	9.89
1.73	2.76	2.22	1.51
0.88	1.22	0.29	1.41
1.14	0.82	1.58	1.37
0.95	0.66	0.66	0.29
4.70	5.46	4.75	4.58
13.18	12.00	13.28	14.47
2.09	2.25	3.62	4.13
2.19	2.55	2.90	1.29
0.63	0.41	0.88	0.23
0.63	0.93	0.97	0.47
0.57	0.38	0.96	0.50
0.47	0.40	0.18	0.41
0.46	0.15	0.68	0.94
0.26	0.09	0.15	0.00
0.70	0.58	0.88	0.45
2.98	4.42	1.89	1.16
10.98	12.16	13.11	9.58
1.28	1.20	1.43	0.42
4.94	3.90	3.99	9.05
0.04	0.00	0.00	1.01
0.31	0.19	0.23	0.58
0.31	0.23	0.12	1.02
1.01	0.31	0.45	0.32
0.89	1.09	1.75	2.25
1.50	0.49	1.50	0.15
10.28	7.41	9.47	14.80

BALANCE SHEET

	PRINTERS AND LITHOGRAPHERS		ADVERTISING AGENCIES	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
ASSETS				
CURRENT ASSETS				
Cash	8.19%	3.74%	10.27%	11.75%
Receivables	31.93	38.91	32.83	29.45
Inventories	4.67	7.56	4.15	4.11
Other current assets	10.12	14.47	2.47	1.52
TOTAL CURRENT ASSETS	54.91	64.68	49.72	46.83
FIXED ASSETS				
Real estate	10.76	4.70	5.06	14.22
Less: Accumulated depreciation	2.95	1.15	1.99	3.63
	7.81	3.55	3.07	10.59
Machinery and equipment	59.44	43.14	69.52	53.89
Less: Accumulated depreciation	27.26	17.03	33.92	24.18
	32.18	26.11	35.60	29.71
Other fixed assets	11.91	9.83	11.33	3.83
Less: Accumulated depreciation	7.48	4.94	5.52	2.54
	4.43	4.89	5.81	1.29
NET FIXED ASSETS	44.42	34.55	44.48	41.59
OTHER ASSETS	0.67	0.77	5.80	11.58
TOTAL ASSETS	100.00	100.00	100.00	100.00
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Notes payable	6.90	6.16	8.74	6.29
Accounts payable	7.60	6.76	6.68	2.64
Other current liabilities	6.50	12.38	8.24	12.61
TOTAL CURRENT LIABILITIES	21.00	25.30	23.66	21.54
LONG-TERM LIABILITIES	41.58	27.82	30.89	28.07
TOTAL LIABILITIES	62.58	53.12	54.55	49.61
SHAREHOLDERS' AND PROPRIETORS' EQUITY	37.42	46.88	45.45	50.39
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	2.61	2.56	2.10	2.17
QUICK RATIO	2.39	2.26	1.93	1.98
TOTAL LIABILITIES TO EQUITY	1.67	1.13	1.20	0.98
LONG-TERM LIABILITIES TO EQUITY	1.11	0.59	0.68	0.56
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.46	0.39	0.49	0.45

** Sample insufficient for Profit Leaders.

PUBLISHERS		CARTON MANUFACTURERS**	OTHER**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
5.83%	10.30%	2.16%	7.02%
31.45	24.19	47.38	24.76
5.22	4.34	6.68	5.14
8.80	13.62	4.85	20.37
51.30	52.45	61.07	57.29
6.87	12.86	0.00	0.00
3.18	3.75	0.00	0.00
3.69	9.11	0.00	0.00
69.50	42.98	83.57	57.57
37.79	19.34	61.05	28.28
31.71	23.64	22.52	29.29
12.39	5.43	17.40	16.17
7.55	2.62	9.58	4.90
4.84	2.81	7.82	11.27
40.24	35.56	30.34	40.56
8.46	11.99	8.59	2.15
100.00	100.00	100.00	100.00
17.20	7.04	11.17	7.87
5.67	3.93	17.95	22.35
6.81	5.68	6.11	7.90
29.68	16.65	35.23	38.12
35.05	32.82	17.65	20.63
64.73	49.47	52.88	58.75
35.27	50.53	47.12	41.25
100.00	100.00	100.00	100.00
1.73	3.15	1.73	1.50
1.55	2.89	1.54	1.37
1.83	0.98	1.12	1.42
0.99	0.65	0.37	0.50
0.54	0.45	0.73	0.49

SIGNIFICANT FACTS

	PRINTERS AND LITHOGRAPHERS		ADVERTISING AGENCIES	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Average assets per employee - All employees	$ 46,119	$ 57,883	$ 42,308	$ 52,560
Average assets per factory employee (Excluding Executives)	71,565	81,011	62,986	80,679
Average net worth per employee - All employees	16,158	25,202	19,025	28,320
Average gross plant investment per factory employee (Excluding Executives)	54,824	47,703	55,092	61,156
Net worth percentage of fixed assets	184.37%	429.16%	147.69%	130.19%
EMPLOYEES				
Percent factory - All employees	71.01%	75.67%	72.12%	69.92%
Percent administrative - All employees	17.12	10.25	14.03	15.76
Percent sales - All employees	11.87	14.08	13.85	14.32
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES				
Sales per employee - All employees	$ 71,907	$ 93,269	$ 69,389	$ 89,113
Sales per factory employee	101,677	122,796	97,329	128,882
Sales less material per factory employee	78,658	96,437	80,232	106,652
Sales per administrative employee	545,070	996,329	593,976	570,396
EXCLUDING EXECUTIVES				
Sales per employee - All employees	81,785	99,965	76,079	94,538
Sales per factory employee	108,501	130,076	103,705	134,550
Sales less material per factory employee	84,076	102,253	85,483	111,403
SALES PER SALESMAN	599,643	765,954	577,322	876,882
SALES TO CURRENT ASSETS	347%	279%	400%	395%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES				
Total payroll percentage of sales	48.16%	48.96%	52.77%	49.64%
Factory payroll percentage of gross plant investment	92.41	161.52	81.88	89.82
Payroll per employee - All employees	$ 34,629	$ 45,317	$ 36,417	$ 44,437
Payroll per factory employee	32,043	42,532	34,140	39,485
Payroll per administrative employee	38,546	44,377	40,263	57,791
Payroll per sales employee	45,140	61,338	43,972	53,764
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES				
Payroll per employee - All employees	$ 26,374	$ 36,202	$ 27,645	$ 32,958
Payroll per factory employee	25,858	35,372	27,452	32,783
Payroll per administrative employee	13,613	17,149	19,779	23,963
Payroll per sales employee	39,850	54,153	35,859	44,145
EXECUTIVE PAYROLL				
Payroll per executive - All executives	52,862	66,081	63,173	100,408
Payroll per factory executive	26,217	40,739	39,708	32,529
Payroll per administrative executive	78,346	131,055	92,996	196,074
Payroll per sales executive	21,370	43,158	33,817	53,274
RECEIVABLES				
Collection period	69.4	83.3	66.4	60.0
PROFIT				
Gross profit percentage of sales	31.59%	33.74%	30.61%	38.64%
Average gross profit per factory employee	$ 34,697	$ 43,596	$ 32,676	$ 52,964
Income before taxes percentage of sales	5.70%	11.32%	3.09%	12.56%
Average income before taxes per employee	$ 4,788	$ 10,905	$ 2,708	$ 11,307

** Sample insufficient for Profit Leaders.

PUBLISHERS		CARTON MANUFACTURERS**	OTHER**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
$ 40,714	$ 53,394	$ 25,486	$ 67,043
55,021	70,939	38,002	95,172
15,525	31,274	11,988	22,656
42,195	41,816	38,630	64,554
114.33%	175.35%	155.21%	95.09%
80.37%	80.45%	72.92%	76.97%
9.72	11.93	17.50	7.34
9.91	7.62	9.58	15.69
$ 75,109	$ 77,885	$ 68,105	$ 78,395
95,165	97,840	93,419	101,867
76,979	80,574	70,944	81,514
733,254	817,256	398,835	1,073,630
81,300	83,610	82,559	86,610
101,324	103,249	101,510	111,179
81,989	85,043	77,103	88,910
776,054	1,120,748	325,000	691,809
412%	308%	450%	239%
51.95%	49.27%	51.85%	55.66%
99.51	93.89	105.97	64.78
$ 39,044	$ 38,226	$ 35,364	$ 43,593
37,037	36,639	35,365	38,167
43,836	42,996	32,959	66,753
52,273	64,960	46,706	60,219
$ 30,883	$ 30,082	$ 28,456	$ 34,011
30,656	30,312	28,065	31,170
19,176	18,709	24,879	20,451
44,836	55,925	39,063	51,850
61,098	60,107	31,838	68,913
51,292	42,441	34,063	47,986
78,356	100,040	30,476	156,317
46,595	50,664	19,971	31,072
58.2	61.0	65.1	74.5
28.36%	33.37%	24.99%	28.08%
$ 29,874	$ 34,310	$ 25,242	$ 31,267
5.46%	13.31%	1.49%	4.08%
$ 4,429	$ 10,768	$ 1,006	$ 3,203

RETURN ON INVESTMENT - PER $100 OF SALES

	PRINTERS AND LITHOGRAPHERS		ADVERTISING AGENCIES	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Current Assets:				
Cash	$ 5.00	$ 1.68	$ 6.79	$ 6.05
Receivables	18.46	22.46	17.77	16.23
Inventories	2.97	5.14	2.42	2.42
Marketable securities	0.00	0.00	0.43	0.00
Other current assets	6.27	8.92	0.94	0.87
	32.70	38.20	28.35	25.57
Plant Investment:				
Land and building	6.61	4.36	3.20	9.36
Machinery and equipment	38.37	28.92	42.24	31.25
Other fixed assets	5.42	5.25	7.03	2.12
	50.40	38.53	52.47	42.73
Non-Current Assets	0.37	0.49	4.34	8.20
TOTAL INVESTMENT	83.47	77.22	85.16	76.50
INVESTMENT TURNOVER PER $100 OF SALES	119.80%	129.50%	117.43%	130.72%
EARNINGS				
Cost of Product	$68.41	$66.26	$69.39	$61.36
Selling Expenses	9.51	12.04	13.02	12.36
Administrative Expenses	14.30	8.47	13.19	13.07
	92.22	86.77	95.60	86.79
Income Before Interest, Other Income (Expense), and Taxes	7.78	13.23	4.40	13.21
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	9.32%	17.13%	5.17%	17.27%

** Sample insufficient for Profit Leaders.

PUBLISHERS		CARTON MANUFACTURERS**	OTHER**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
$ 3.50	$ 6.94	$ 0.86	$ 6.88
15.70	16.45	17.76	19.91
2.58	2.99	2.67	3.31
0.00	0.00	0.00	19.34
5.47	9.41	1.80	1.41
27.25	35.79	23.09	50.85
4.14	8.98	0.00	0.00
32.94	28.85	31.43	47.87
5.64	3.56	6.80	10.32
42.72	41.39	38.23	58.19
4.88	8.53	3.04	2.32
74.85	85.71	64.36	111.36
133.60%	116.67%	155.38%	89.80%
$71.64	$66.63	$75.01	$71.92
10.28	7.41	9.47	14.80
10.98	12.16	13.11	9.58
92.90	86.20	97.59	96.30
7.10	13.80	2.41	3.70
9.49%	16.10%	3.74%	3.32%

CHAPTER 3 - BY TYPE OF WORK

REPORT ON OPERATIONS - SALES = 100%

	BLACK AND WHITE**	COLOR WORK	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT			
MATERIALS			
Paper	3.61	2.23	1.26
Other chargeable materials	9.63	13.43	11.94
Outside services	4.01	4.23	5.45
TOTAL MATERIALS	17.25	19.89	18.65
FACTORY PAYROLL	36.85	35.60	34.55
FACTORY EXPENSES	15.62	14.97	12.20
TOTAL FACTORY COST OF PRODUCT	69.72	70.46	65.40
GROSS PROFIT	30.28	29.54	34.60
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	18.21	11.71	10.14
Selling expenses	11.29	11.71	11.10
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	29.50	23.42	21.24
INCOME BEFORE INTEREST EXPENSE	0.78	6.12	13.36
Interest expense	0.41	2.45	1.57
OPERATING INCOME	0.37	3.67	11.79
Other income	1.46	0.66	0.53
INCOME BEFORE INCOME TAXES	1.83	4.33	12.32

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS			
Ink	0.51%	0.41%	0.19%
Film	6.96	8.71	6.33
Plates	1.48	0.69	0.36
Other chargeable materials	0.68	3.62	5.06
TOTAL OTHER CHARGEABLE MATERIALS	9.63	13.43	11.94
OUTSIDE SERVICES			
Composition	0.33	0.03	0.06
Offset preparation	0.62	1.68	2.42
Printing	0.49	1.04	2.52
Binding	0.10	0.09	0.11
Other outside services	2.47	1.39	0.34
TOTAL OUTSIDE SERVICES	4.01	4.23	5.45

** Sample insufficient for Profit Leaders.

SUPPORTING SCHEDULES - SALES = 100%

	BLACK AND WHITE**	COLOR WORK	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL			
Salaries - executive	2.02%	3.12%	1.89%
Direct wages	26.48	24.52	25.18
General factory salaries and wages	0.57	2.07	1.82
Packing, shipping and delivery wages	1.15	0.59	0.41
Payroll taxes	2.43	2.44	2.19
Employee benefits	4.20	2.86	3.06
TOTAL FACTORY PAYROLL	36.85	35.60	34.55
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.05	0.70	0.19
Depreciation - other	3.50	5.08	3.79
Taxes - real estate	0.28	0.18	0.28
Taxes - other	0.19	0.16	0.15
Insurance	0.74	0.57	0.27
Building rent	2.33	1.60	1.02
Utilities - heat, light, etc.	1.29	1.17	0.87
Equipment rental	1.45	1.05	0.63
Total Fixed Expenses	9.83	10.51	7.20
Other Expenses			
Factory supplies and expense	0.86	1.40	1.76
Packing, shipping and delivery expense	2.86	0.76	1.10
Repairs and maintenance	1.38	1.38	1.32
Other factory expenses	0.69	0.92	0.82
Total Other Expenses	5.79	4.46	5.00
TOTAL FACTORY EXPENSES	15.62	14.97	12.20
ADMINISTRATIVE EXPENSES			
Salaries - executive	6.68	3.26	2.76
Salaries - office	2.18	2.51	2.27
Payroll taxes	1.05	0.62	0.31
Employee benefits	1.45	0.72	1.22
Bad debts	0.51	0.58	0.29
Office supplies and expenses	0.94	0.58	0.43
Professional fees	2.44	0.58	0.50
Taxes - business	0.09	0.25	0.29
Telephone	0.67	0.76	0.57
Other administrative expenses	2.20	1.85	1.50
TOTAL ADMINISTRATIVE EXPENSES	18.21	11.71	10.14
SELLING EXPENSES			
Salaries - executive	3.53	0.90	1.16
Salaries and commissions - salesmen	3.52	6.07	5.93
Salaries - sales office clerical	1.06	0.27	0.28
Payroll taxes	0.37	0.47	0.37
Employee benefits	0.10	0.50	0.53
Advertising	0.90	0.74	0.56
Travel and entertainment	0.52	1.62	1.82
Other selling expenses	1.29	1.14	0.45
TOTAL SELLING EXPENSES	11.29	11.71	11.10

** Sample insufficient for Profit Leaders.

BALANCE SHEET

	BLACK AND WHITE**	COLOR WORK	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
ASSETS			
CURRENT ASSETS			
Cash	18.18%	7.00%	9.51%
Receivables	40.70	31.68	31.58
Inventories	3.07	4.96	5.39
Other current assets	6.12	5.70	6.39
TOTAL CURRENT ASSETS	68.07	49.34	52.87
FIXED ASSETS			
Real estate	4.47	6.36	9.68
Less: Accumulated depreciation	3.80	2.09	2.75
	0.67	4.27	6.93
Machinery and equipment	60.72	69.33	48.63
Less: Accumulated depreciation	41.68	33.80	21.06
	19.04	35.53	27.57
Other fixed assets	20.34	11.11	6.67
Less: Accumulated depreciation	12.35	5.78	3.44
	7.99	5.33	3.23
NET FIXED ASSETS	27.70	45.13	37.73
OTHER ASSETS	4.23	5.53	9.40
TOTAL ASSETS	100.00	100.00	100.00
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Notes payable	5.80	11.01	6.38
Accounts payable	9.46	7.91	4.69
Other current liabilities	7.48	7.22	10.14
TOTAL CURRENT LIABILITIES	22.74	26.14	21.21
LONG-TERM LIABILITIES	10.74	35.37	25.96
TOTAL LIABILITIES	33.48	61.51	47.17
SHAREHOLDERS' AND PROPRIETORS' EQUITY	66.52	38.49	52.83
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	2.99	1.89	2.49
QUICK RATIO	2.86	1.70	2.24
TOTAL LIABILITIES TO EQUITY	0.50	1.60	0.89
LONG-TERM LIABILITIES TO EQUITY	0.16	0.92	0.49
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.69	0.49	0.43

** Sample insufficient for Profit Leaders.

SIGNIFICANT FACTS

	BLACK AND WHITE**	COLOR WORK	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
INVESTMENT			
Average assets per employee - All employees	$ 23,445	$ 46,376	$ 56,837
Average assets per factory employee (Excluding Executives)	34,483	68,050	80,311
Average net worth per employee - All employees	16,398	18,003	31,054
Average gross plant investment per factory employee (Excluding Executives)	27,446	55,823	52,365
Net worth percentage of fixed assets	321.69%	126.32%	257.79%
EMPLOYEES			
Percent factory - All employees	71.06%	74.40%	75.64%
Percent administrative - All employees	14.43	13.36	11.70
Percent sales - All employees	14.51	12.24	12.66
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES			
Sales per employee - All employees	$ 59,132	$ 73,624	$ 90,093
Sales per factory employee	83,273	100,256	120,553
Sales less material per factory employee	68,954	80,342	97,808
Sales per administrative employee	620,003	635,866	859,424
EXCLUDING EXECUTIVES			
Sales per employee - All employees	66,054	81,322	96,246
Sales per factory employee	84,704	107,255	126,764
Sales less material per factory employee	70,134	86,002	102,891
SALES PER SALESMAN	539,601	592,790	838,362
SALES TO CURRENT ASSETS	414%	386%	338%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES			
Total payroll percentage of sales	56.78%	50.92%	49.38%
Factory payroll percentage of gross plant investment	119.71	83.78	113.81
Payroll per employee - All employees	$ 32,878	$ 37,561	$ 44,332
Payroll per factory employee	30,306	35,248	41,167
Payroll per administrative employee	44,210	41,408	50,554
Payroll per sales employee	28,567	48,793	59,531
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES			
Payroll per employee - All employees	$ 23,236	$ 29,309	$ 34,487
Payroll per factory employee	23,665	28,769	34,273
Payroll per administrative employee	13,540	19,213	20,534
Payroll per sales employee	20,211	41,602	49,914
EXECUTIVE PAYROLL			
Payroll per executive - All executives	46,584	61,222	78,694
Payroll per factory executive	15,874	42,562	41,053
Payroll per administrative executive	73,343	88,458	146,652
Payroll per sales executive	23,487	33,672	54,661
RECEIVABLES			
Collection period	60.3	66.9	69.8
PROFIT			
Gross profit percentage of sales	30.28%	29.54%	34.60%
Average gross profit per factory employee	$ 26,132	$ 32,646	$ 44,558
Income before taxes percentage of sales	1.83%	4.33%	12.32%
Average income before taxes per employee	$ 1,249	$ 3,802	$ 11,449

** Sample insufficient for Profit Leaders.

CHAPTER 3 - BY TYPE OF WORK

RETURN ON INVESTMENT - PER $100 OF SALES

	BLACK AND WHITE**	COLOR WORK	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
INVESTMENT			
Current Assets:			
Cash	$ 8.20	$ 5.09	$ 5.50
Receivables	16.03	17.92	18.84
Inventories	1.45	2.83	3.55
Marketable securities	1.52	1.09	0.00
Other current assets	1.42	2.80	3.97
	28.62	29.73	31.86
Plant Investment:			
Land and building	2.25	3.96	6.93
Machinery and equipment	23.21	41.99	30.91
Other fixed assets	7.57	6.38	3.84
	33.03	52.33	41.68
Non-Current Assets	2.41	3.68	6.66
TOTAL INVESTMENT	64.06	85.74	80.20
INVESTMENT TURNOVER PER $100 OF SALES	156.10%	116.63%	124.69%
EARNINGS			
Cost of Product	$69.72	$70.46	$65.40
Selling Expenses	11.29	11.71	11.10
Administrative Expenses	18.21	11.71	10.14
	99.22	93.88	86.64
Income Before Interest, Other Income, and Taxes	0.78	6.12	13.36
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	1.22%	7.14%	16.66%

** Sample insufficent for Profit Leaders.

	NUMBER OF PARTICIPATING FIRMS	AVERAGE FIRM REPORTING** TOTAL ASSETS	SALES OR VALUE OF PRODUCTION	TOTAL INCOME (LOSS)
TOTAL - ALL FIRMS	43	$ 3,060,000	$ 4,982,000	$ 358,000
TOTAL - PROFIT LEADERS*	10	6,365,000	9,587,000	1,199,000
BY SIZE OF FIRM				
ALL FIRMS				
0-$500,000	2	254,000	427,000	(17,000)
$500,000-$1,500,000	8	427,000	850,000	11,000
$1,500,000-$3,000,000	9	1,336,000	2,260,000	64,000
Over $3,000,000	24	4,818,000	7,759,000	615,000
PROFIT LEADERS				
Over $3,000,000	9	6,925,000	10,330,000	1,299,000
BY MARKET				
ALL FIRMS				
Printers and Lithograph	10	2,663,000	4,181,000	347,000
Advertising Agencies	19	2,086,000	3,361,000	177,000
Publishers	10	5,375,000	9,239,000	796,000
Carton Manufacturers	2	444,000	1,197,000	17,000
Other	2	5,342,000	6,883,000	282,000
PROFIT LEADERS				
Printers and Lithographers	3	4,850,000	6,962,000	803,000
Advertising Agencies	3	3,029,000	5,027,000	640,000
Publishers	4	10,003,000	14,976,000	1,915,000
BY TYPE OF WORK				
ALL FIRMS				
Black and White	5	422,000	1,115,000	50,000
Color Work	36	3,337,000	5,389,000	374,000
PROFIT LEADERS				
Color Work	9	6,182,000	9,376,000	1,154,000

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
** Unlike the ratios shown in this book, these figures are arithmetic averages. See explanatory note on page 30.

HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

			% of Sales	
Firm	Sales	Factory Payroll	Firm's Ratio Factory Payroll	PIA Ratio Factory Payroll
A	$ 200,000	$ 60,000	30.0%	
B	500,000	100,000	20.0	
C	8,000,000	975,000	12.2	
			62.2% divided by 3 = 20.7%	